

VERMONT STATE TEACHERS' RETIREMENT SYSTEM

Meeting of the Board of Trustees – Conference Call Meeting

June 9, 2016 – 3:30 p.m.

Members present:

JON HARRIS, Chairperson, Active Member Representative, term expiring– July 1, 2019 - via telephone

JOSEPH MACKEY, Vice-Chairperson, VRTA representative, term expiring July 1, 2016 – via telephone

JUSTIN NORRIS, Active Member Representative, term expiring July 1, 2017 – via telephone

DANIEL RADDOCK, Financial Regulation Representative – via telephone

DEBORA PRICE, representing Secretary of Agency of Education – via telephone

LINDA DELIDUKA, VRTA Alternate Representative, term expiring July 1, 2016 – via telephone

ELIZABETH PEARCE, VT State Treasurer

Members absent:

PERRY LESSING, Active Member Alternate Representative, term expiring July 1, 2017

Also attending:

Laurie Lanphear, Director of Retirement

Matt Considine, Director of Investments

Katie Green, Financial Manager

Nick Foss, Investment Analyst

Joshua McCormick, Administrative Coordinator IV

Lilly Schwarz, Investments

The Chairperson, Jon Harris called the Thursday, June 9th, 2016, meeting to order at 3:33 p.m., which was held in the Treasurer's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the Minutes of:

- May 10, 2016

On motion by Ms. Price, seconded by Mr. Norris, the Board voted unanimously by roll call to approve the minutes of May 10, 2016, as amended.

ITEM 2: Fund Lineup Recommendation

Mr. Foss advised the board that as a result of a fund line-up addition within the VSERS 457 plan, the Investments Staff has identified a source of cost savings that can be attained through a fund line-up change. Due to the State of Vermont's existing relationship with Vanguard, the Vanguard Total Bond Market Index Fund (VBMFX) now qualifies for the "Institutional" share class, which will result in a 69% decrease in the current expense ratio being paid by participants.

The Investment Staff recommends the Board vote to change the VBMFX from the "Investor" share class to the "Institutional" share class, in order to attain a more attractive cost structure.

On motion by Ms. Pearce, seconded by Mr. Mackey, the Board voted unanimously by roll call to direct the treasurer's staff to work with Empower Retirement to implement the recommendation by the Investment Staff.

ITEM 3: Any other business to be brought before the Board

Ms. Pearce advised the Board that back in January, the Board made a motion for the New Entrant Health Care Assessment of \$1,097 for fiscal year 17'. Fiscal year 16' should have been applied in this motion as well.

On motion by Ms. Pearce, seconded by Mr. Mackey, the Board unanimously voted by roll call that based on previous discussion by the Board, the Board affirms that the \$1,097 New Entrant Health Care Assessment applies to FY 16' as well as FY 17'.

Ms. Deliduka advised the Board that she has heard from three senior citizens who are now struggling financially due to the increase of health insurance costs through VEHI. Ms. Pearce advised that the EGWP does have a prescription drug subsidy plan for low income Vermonter's. Ms. Lanphear will also be adding this to the next VSTRS retirement newsletter.

ITEM 4: Adjournment

On motion by Ms. Pearce, seconded by Mr. Mackey, the Board voted unanimously by roll call to adjourn at 3:44 p.m.

Next Meeting Date:

The next scheduled VSTRS meeting is a Conference Call meeting, July 14, 2016 at 3:30 p.m.

Respectfully submitted,



Joshua McCormick
Administrative Coordinator IV